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Casey Ignored Arms Seller's Record

CIA Director William J. Casey has been caught in the uncomfortable embrace of Basil Tsakos, a Greek arms promoter whose international dealings have attracted the interest of intelligence services around the world.

I've seen a thick report on Tsakos from the files of Greek intelligence alleging that he had a criminal record in Greece and was suspected of dubious international arms deals.

Sources say that Greek intelligence cooperates closely with the CIA, and that at least some of the information is in CIA files.

At the snap of a finger, Casey could have obtained a report on Tsakos. Either he failed to check his files or he ignored what they contained. Casey also ignored warnings about Tsakos' criminal record. This says a lot about the competence of the nation's spy master.

Tsakos came to Casey during the early days of the Reagan administration with a multibillion-dollar scheme to build a trans-Africa oil pipeline. Casey has denied endorsing the project, though a CIA spokesman said the agency was interested in the idea because of its potentially strategic importance.

The pipeline would carry Saudi Arabian oil across Africa, bypassing the unstable Persian Gulf and crossing three central African states—a route of questionable stability.

The meetings with Casey gave Tsakos and his American partner—an old Casey sidekick named Joe Rosenbaum—an important name to drop as they sought support for the pipeline at the Pentagon and State Department.

Casey also put Rosenbaum in touch with some

former intelligence agents who might have been interested in the project.

Here, meanwhile, is what my associate Corky Johnson found out about Tsakos from Greek intelligence reports and other sources:

- In the mid-1960s, Tsakos represented the British government in its effort to sell nuclear power plants to Greece. Sources described Tsakos as a "bag man" paid thousands of dollars to influence Greek officials to buy the British reactors. The deal fell through abruptly when a military junta seized power in Athens in 1967.

- Greek intelligence, the KYP, suspects that Tsakos was a part-time British spy. "Tsakos is very closely associated with an agent of the British Intelligence Service," a KYP report states, adding: "Our reports indicate he is a collaborator of the British services."

- Greek files show that Tsakos represented several British firms, but he moved his military-sales operation to Switzerland shortly after the Greek government began investigating him for possible national crimes.

- Tsakos was suspected of running an antique-smuggling operation based in France. The antiques were smuggled from border posts and even from the Athens airport with the aid of a Greek Civil Aviation Service employee. The network also was suspected of smuggling illegal immigrants from Italy and Bulgaria to the United States.

- The Greek army investigated Tsakos when he tried to sell tank parts to Greece in 1973. More recently, the Greek defense ministry launched a major investigation of a Tsakos-related tank deal.